



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Wednesday Evening, November 05, 2008

Electricity

Elk Hills Power's 552 MW Elk Hills Combined Cycle Gas-fired Unit in California Shut by November 4

The California Independent System Operator reported the unit experienced an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200811041515.html>

Dynegy's 335 MW El Segundo Gas-fired Unit 4 in California Returns to Service by November 4

According to the California Independent System Operator, the unit returned from an unplanned outage.
<http://www.caiso.com/unitstatus/data/unitstatus200811041515.html>

AES's 495 MW Alamos Gas-fired Unit 6 in California Reduced by November 4

According to the California Independent System Operator, the unit experienced an unplanned curtailment of 245 MW on November 4.
<http://www.caiso.com/unitstatus/data/unitstatus200811041515.html>

American Municipal Power-Ohio Votes to Proceed with New Coal-fired Power Plant in Southern Ohio

AMP-Ohio and all its member communities have approved a limited notice for the proposed 1,000 MW coal-fired plan to proceed, with construction dependent the plant's ability to acquire all necessary permits. Seen as a major step forward for the project, the plant will not be operating until 2014 due to about a six month delay caused by the growing global demand for boilers and turbines.
http://www.ohio.com/news/top_stories/33810184.html

Connecticut Advisory Board Issues Solicitation Seeking Alternatives to Planned Transmission Project

As required by state law, the Connecticut Energy Advisory Board is seeking proposals to determine if there are less costly alternatives for Connecticut's portion of a planned three-state transmission project being developed by National Grid and Northeast Utilities. The planned transmission project named the New England East-West Solution is due to run through Connecticut, Massachusetts and Rhode Island.
<http://www.platts.com/Electric%20Power/News/8150175.xml?p=Electric%20Power/News&sub=Electric%20Power>

Update: NRC Completes License Recommends 20 Year Extension of Operating License for Wolf Creek Nuclear Operating Corp's 1236 MW Wolf Creek Nuclear Plant in Kansas

NRC staff has completed its review of Wolf Creek's license renewal application and recommends a 20-year extension of the plant's operating license to March 2045.
<http://www.platts.com/Nuclear/News/7427200.xml?p=Nuclear/News&sub=Nuclear>

Petroleum

Breakdown Reported at Valero's 135,000 b/d Wilmington, California Refinery November 4

The company reported in a filing to state emissions regulators, its Wilmington refinery experienced an unspecified breakdown which led to flaring.
Bloomberg News, 16:13 November 4, 2008

Update: ExxonMobil's 348,500 b/d Beaumont, Texas Refinery Returns to Normal Operating Rates Following Lengthy Restart Process

The refinery located in Beaumont, Texas was shutdown as a precautionary measure in mid-September in anticipation of Hurricane Ike. Although the refinery suffered some damage from the storm, some units were restarted early last month as repairs were underway. Now, all process units at the plant have returned to normal operating rates.

Dow Jones Newswire, 11:49 November 5, 2008

Shell Declares Force Majeure on Nigerian Output due to OPEC Production Cut

A Shell company representative said the company has declared force majeure on its Nigerian crude production as a consequence of OPEC's decision to cut production quotas. The new force majeure covers the Shell operated Bonga, Bonny Light and Forcados crude grades. Shell's announcement is in addition to the force majeure the company declared in September on 235,000 b/d of Nigerian production as the result of militant attacks in the region. It was not known when Shell would be lifting the force majeure declaration.

<http://www.platts.com/Oil/News/8149998.xml?p=Oil/News&sub=Oil>

Kuwait's National Oil Company to Cut Crude Output by 100,000 b/d as Part of OPEC Pledge, Says its Khafji Field is 'On Track'

The Kuwait Gulf Oil Company announced it will be cutting crude oil output by 100,000 b/d for the month of November as part of OPEC's announced quota reduction. An official with the Kuwait Gulf Oil Company told the press that the company, although announcing production cuts, is still on track to boost output from the Khafji field. Khafji is slated to reach 350,000 b/d of production in the first quarter of 2009 with current production topping off at 300,000 b/d.

http://www.rigzone.com/news/article.asp?a_id=68870

Natural Gas

Devon Energy Restores Majority of Gulf of Mexico Production Disrupted by Hurricanes, Reaffirms Plans to End 2008 with 1.2 Bcf/d of Production from Barnett Shale Area

Devon Energy said it has restored 33,000 boe/d of Gulf output disrupted in September from Hurricanes Gustav and Ike, and plans to restore more than 5,000 boe/d by the end of 2008. Separately, Devon also reaffirmed plans to achieve Barnett Shale production of 1.2 Bcf/d by the end of this year.

Reuters, 11:15 November 5, 2008

Other News

VeraSun to Delay Start of New Ethanol Refinery in Minnesota as it Reorganizes Following Bankruptcy Filing

The country's second largest ethanol producer VeraSun Energy filed voluntarily November 3 for bankruptcy relief as the it seeks to enhance liquidity while it reorganizes. This recent development has led the company to indefinitely delay startup of its 110 million gal/year ethanol biorefinery in Janesville, Minnesota. VeraSun will continue operations at its 14 facilities across an eight-state region.

<http://www.tradingmarkets.com/site/news/Stock%20News/1996177/>

<http://money.cnn.com/news/newsfeeds/articles/apwire/69f01290ef6d4a9c2a6dd4acf6e88e6b.htm>

Reuters, 15:03 November 4, 2008

Department of Interior Needs to Do More to Encourage US Oil & Gas Development, GAO Report Says

According to a recently released Government Accountability Office (GAO) report, the Department of the Interior needs to do more to encourage domestic development of oil and gas leases. Compared to individual state actions and moves made by the private industry, the report highlights differences between approaches to oil and gas leases handled through federal programs and the way states structure leases and offer increasing royalty and rental rates that encourage faster development.

<http://www.platts.com/Oil/News/6010328.xml?p=Oil/News&sub=Oil>

View the GAO Report here: <http://www.gao.gov/products/GAO-09-74>

Energy Prices

U.S. Oil and Gas Prices November 5, 2008			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	65.72	67.48	94.06
NATURAL GAS Henry Hub \$/Million Btu	6.79	6.58	6.71

Source: Reuters

Energy Notes

Plantation Pipeline to Pay Penalties for Fuel Spills in North Carolina, Georgia and Virginia Between 2000 and 2006

Reuters, 16:18 November 4, 2008

National Energy Board of Canada and Canada-Nova Scotia Offshore Petroleum Board Sign Memo of Understanding to Regulate Pipelines more Efficiently and Effectively

http://www.downstreamtoday.com/News/Articles/200811/NEB_CNSOPB_Agree_To_Partnerships_13609.aspx

Crude Oil Production at Salym Fields in Western Siberia Set New Production Record of Over 140,000 boe/d

http://www.rigzone.com/news/article.asp?a_id=68862

Archer Daniels Midland Announce Joint Venture with Cabrera to Produce Ethanol from Sugarcane in Brazil

<http://www.admworld.com/naen/pressroom/newspopup.asp?id=525>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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